App. F. IX-4

1933-4 (L.M.)

File No. 2-33

Previous References
I.F. 37-31 (1-2)
Fam 30-26 (5-7)
L.M. 21-29 (1-4)
Later References
L.M. 18-29 (5 & 6) L.M.-25-38 Ss 1-2 preserve
L.M. 16.34 (1-3)
L.M. 27-34 (1-4)

General and Revenue Secretariat.

L.M. 7-35 (1-5) R846-40-1-4
" 7-35 (1-2)

Serial Nos. 1-3, 7

Serial Nos. Four

Part B for November 1933

SUBJECT.

Re- Floatation of the 2nd Series of debentures by the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore.

5(7) To the Registrar of C.S.
" Mysore Circle
" President, Land Mort. Bank
" Commissioner of Labour
No. D 2624-7 dt 25/11/33
Permits to floatation of Debentures

L. Akbar
23/11/34

Serial No.	
1.	From the Resr of C.S. No 1364 CS of 25/8/33 Requesting sanction for the proposals of the President of the L.M. Bank for the issue of a second series of debentures for a sum of Rs 2½ lakhs carrying interest at 5% free of income tax and the investment by Govt. of another lakh of Rupees in the Debentures of this series, and the issue of a debenture loan-prospectus as per copy submitted Subd. for orders. The question of the formation of the sinking fund was ordered to be taken up along with the above (vide L.M. file no. 30-31 linked herewith) 30/8 To Finl. Sec. (may be consulted Dev: Sec (1) C 100 31/8 To Fin. Sec. Cash. 31.8.33. C 100 1/9. Forwarded with compliments to the Comptroller for favour of remarks on the proposals of the Bank. Bo. M Shamiaun For Fl: Secy 7.9.33 P.T.O.

1685 1/9/33

COMPTROLLER'S OFFICE No. 1435/S&P 8 SEP 33 S&P BANGALORE

Cash 4/8.9.33

NOTE—Contn. Sheet.

W.O. No. 962 of dt. 10-6-33

Re. 212/86
24/IV/38

Returned with compliments.

2. The points on which orders of Government are equired are:

1. Flotation of a further loan of 2½ lakhs.

2. Continuance of 5% rate of interest on these ebentures.

3. Issue of Debentures of the denominations of 500/-, 1000/-, and Rs. 5000/-

4. Investment of one lakh of rupees by Government in the new loan.

5. Removal of time limit for receiving applications.

6. Formation of a sinking fund for the redemption of the loan. (Vide letter No.D.100/-3/L.M.30-31-7 dated 31st August 1933 received from Government).

Government in their Order No.G.12215-8/L.M. 21 or 29-2 dated 15-4-30 and 30-4-30 sanctioned the floatation of a loan of Rs.3 lakhs by the land Mortgage Bank. Against this the Bank has already raised a sum of Rs.2,32,700/-. The balance of Rs.67,300/- is expected to be utilised very soon. As the Bank can rise loans to the extent of 12 times the amount of share capital and the reserve fund (which is stated to amount to Rs.48,371 on 30th June 1933) under Bye-law 17 (b), the permission to raise the further loan of 2½ lakhs making in all 5½ lakhs may be given.

The second point is about the rate of interest on new debentures. As the difficulties pointed out by the President are real, the rate of 5% interest may be continued on the new debentures.

4/12/30

General and Revenue Secretariat | File No. of 193 .

Serial No.

9 The third point is about the Denomination of the bonds. The inconvenience felt by the Bank in issuing the present bonds of Rs. 100/- each for very large amounts is real. Bonds of the denominations of Rs. 500/-, 1000/- and 5,000/- may therefore be permitted to be issued.

10 The request regarding the investment of one lakh of Rs. by Government, in the new debentures may be complied with under the conditions mentioned namely that Government should take up bonds for one lakh (or any less amount if the subscriptions from the public exceed 1½ lakhs) only when the required amount cannot be realised from the public.

11 The fifth point is about the abolition of the time-limit for receiving applications. Under the existing procedure, money is required by the Bank as and when loans are sanctioned to the members. Hence, bonds are to be sold when money is wanted. Under this procedure it takes a long time to sell all the bonds of the value of 2½ lakhs; but it ensures that the Bank does pay in the shape of interest more than is unavoidable. The concession may also be sanctioned.

12 The sixth point is about the formation of the Sinking Fund. Government ordered in their letter No. [illegible] dated [illegible] this question should be taken up when the next series of debentures are to be floated by the Bank The question has therefore to be settled now.

13 In this office U.O.No. 114/S.L. dated 9th July 1932, my opinion regarding the information

NOTE—Contn. Sheet.

WD 70—GBPM—60.000—13-8-31

formation of a Sinking Fund for the redemption of the debentures has been furnished. As the President has also agreed to pay annually to the Trustee of the Bank certain equated amount towards redemption of the loan, the proposal made in this U.O. note may be sanctioned by Government. The amount of equated payment to be made by the President will have to be fixed later on after seeing what amount the sale of the present issue will bring.

14 In addition to the above, two more points require consideration by Government, namely (1) the adjustment of 5% interest on amounts advanced by Government to the Bank for sanctioning loans, (2) Grant of a Duty allowance of Rs. 20/- to the cashier State Loan Section.

15 The present procedure of calculating interest on the amounts advanced by Government from the dates of payments of loans at the treasuries involves considerable time and labour. The Bank is also very often asking me to adjust subscriptions received from the public against loan payments already made at the treasuries. The dates of accrual of interest on the amounts advanced thus vary, every now and then. The result is that different calculations for different amounts have to be made by this office. As this method of annual adjustment is not suitable, I propose that Government, may kindly sanction half-yearly adjustment of this interest, viz., on the 1st of January and 1st of July of each year, to minimise work in this office.

16 I wish to urge the grant of a Duty allowance to the Cashier, State Loan Section in this connection. The operations of the Bank have of late increased considerably. It will increase further

Serial No. 2

further with the issue of the new debentures. The work of the cashier is already heavy and will increase further. The duties and responsibilities of the cashier in my office in this behalf were clearly explained in my letter No. 880/S.L. dated 3rd October 1932 to Government. The payment of an allowance of Rs. 20/- for doing this increased work is not too much and may be kindly sanctioned.

I may also state here that as Government have the idea of a conversion loan being issued presently, the debenture loan of the Bank may be ordered to be issued slightly later. The money that the Bank urgently requires in the interval, may be provided by Government.

M. Venkatesalyengar

Comptroller.

SNS.

To

The Financial Secretary
with compliments.

18 Vide my marginal remarks. If convenient this may perhaps be considered in today's meeting
30-10-33
Dy Secy with Cashbk)

19 First Minister.
30-10-33.

20 Vide my notes in the margin
by

NOTE—Contn. Sheet.

WD 70—GBPM—60,000—13-8-31.

31/10.

Flotation of the Second Series of Debentures of the Loan Bank

L.M. File No. 2 of 1933. | General and Revenue Secretariat

Extract from the Proceedings of the Meeting held with the Presdt. of the Coopve L. M. Board in the Chamber of the 1st Member of Council on Monday the 30th October 1933 at 2 pm.

Subject:- Sanction of Govt required for the floating of debentures (2nd series) for 2½ lakhs either at 5% or 4½%

2/ May be floated at 4½%.

Subd with draft G.O. for

MP 4/11

Fin. Secretary for approval or other orders. may be submitted to the Finance Member thro' the Fin. Secretary. DCW: Sec'y)

CMO 2/11

Fin. Secretary.

23/ If there is no objection, I would suggest that the Government Order permitting the issue of a second series of Debentures may issue after 1st December 1933, since the present Conversion Loan is open till that date. This, I think, will not inconvenience the Bank as it is not in immediate need of funds.

Asst. 3.11.33. CMO 3/11

FL 1230/4-11-33 MK

8.11.33.

8.11.33

OFFICE OF THE FINANCE MEMBER 10 NOV. 1933 No. 3421

Finance Member.

Asst. 10.11.33. CMO 10/11

Secretary 11/11/33

Asst. 11.11.33. CMO 11/11

Floatation of the Second Series of Debentures of the L.M. Bank

General and Revenue Secretariat

L.M. File No. 2 of 1933

[App. F. III—4

Serial No.

1) The draft has been amended so as to incorporate the date suggested by the Fl Secy for the issue of the debentures - vide para 1 of the G.O. May the draft as now amended issue?

2) Approved for the issue of the draft order 1.3/11 with the post off till 1st Dec. 1933 as suggested by the Fl Secy

KB 13.11.33

May issue after the 30th Nov. 33.

Dev: Secy

We have said in the draft that the permission 14/11 is valid till 1st Dec. 1933. May some effort be made to 14.11.33

Yes.

14.11.33. 14/11

Draft Govt Sanction Issue

Issued 30/11/33.

G.O. no. D 2624-27/L.M. 2-33-7 dt 30/11/33.

Permits the floatation of the second series of debentures of the L.M. Bank

30/11

24/11

RECEIVED 15 NOV 1933 GOVT. OF INDIA FINANCE DEPTT. GENL. & REV. SECTN.

NOTE—Contn. Sheet.

SUBJECTS FOR DISCUSSION.

Sanction of Government required for the floating of ~~the~~ debentures (2nd series) for 2½ lakhs either at 5% or 4½ per cent. L.Rs. file 2-33. D.No. 701

2. Permission required to throw open to the public, the balance remaining out of the sum of one lakh subscribed for ~~the~~ by Government in the first series of the Bank's debentures. L.Rs file 6-32.

3. Grant of a cash credit of one lakh of rupees by the Government to the Bank. L.Rs file 6-32

4. Permission to be given to the Bank to utilize for the grant of fresh loans, the loan instalments recovered by the Bank from its indebted members. L.Rs.30-31 ? Pursuit D.9

Removal of the restriction against the payment of dividends by the Bank till it becomes entirely self supporting. L.Rs.30

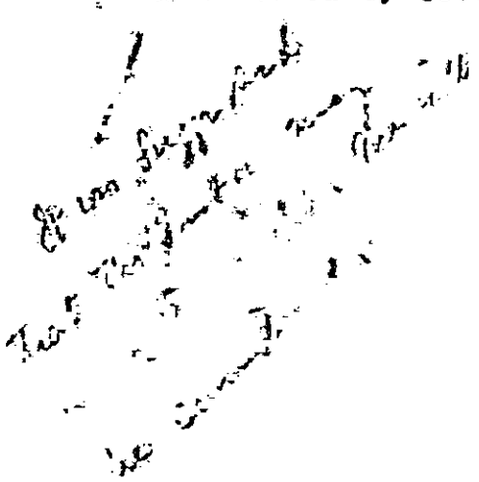
6. Permission to be given to the Bank to draw loan amounts sanctioned by it on bills issued to Treasuries ~~xxxxxxx~~ without requiring prenudit thereof by the Comptroller. Lrs 30-31

General permission to be given to the Bank to extend its lending operations throughout the State.

Exemption of the Bank as also the Primary Land Mortgage Societies from payment of fees under the Record of Rights Regulation. L.Rs 8-33

Exemption of the Bank from payment of Stamps in respect of applications to the Registrar for recovery of its dues from its indebted members. L.Rs 2-32 & 12-31

10. Nomination by Government of Directors to the Bank.



a.M. 2-55-1

No. 1264 C.S Eus

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address : "CO-OPERT" BANGALORE.

Dated, Bangalore, 25 August 1933.

From

GULAM MOHAIDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

DEVELOPMENT SECRET. To 25. AUG. 1933

S. Abdul Wajid, Esq., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

Sir,

Re: Floatation of the 2nd series of debentures by the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore.

I have the honour to submit herewith, a copy of letter No.S.I.17 dated 29th July 1933 and its enclosures on the above subject received from the President of the Mysore Co-operative Land Mortgage Bank, Ltd., and to state as follows:-

In their Order No.G.12215-8/L.M.21-29-2 dated 15th April 1930 Government sanctioned the issue by the Bank of the first series of Debentures to the value of Rs.3 lakhs. The greater part of this amount has already been utilised for the grant of long term loans and it is reported that the balance will be fully utilised during the next month or two. The jurisdiction of the Bank now extends to 15 Taluks (inclusive of Narasimharajapur and Alur Sub-Taluks, and the Sakrepatna area in Kadur Taluk) and it is necessary that the Bank should arrange to raise fresh funds early for carrying on its loan operations.

As regards the rate of interest to be allowed on the debentures, I may state that the response from the public for subscriptions towards the first series of debentures, which also carry a rate of 5 per cent per annum free of income tax, has not been very marked. In view of this and also in the circumstances mentioned by the President of the Bank in his letter, I agree with the President in thinking that a rate of 5 per cent on the present series of debentures cannot be considered too high.

The proposal of the Bank to issue consolidated bonds in lieu of debentures where necessary in respect of large subscriptions is intended to overcome the inconveniences which have been felt in practice by large subscribers These inconveniences were adverted to in correspondence ending with this Office letter No.7896/C.S. dated 3rd May 1932 to the Secretary to Government

P.T.O.

Government, Development Department, a copy of which is submitted herewith, for ready reference.

(E) As Government, in their Order No.11438-44/Sany.30-26-7 dated 10th April 1928 have undertaken to invest in the Bank a sum of Rs.2 lakhs in the first two years at the rate of one lakh of rupees during each year and as one lakh of rupees has already been subscribed towards the first series, the investment of another lakh of rupees from Government funds in the Debentures of this series may now be authorised on the

(D) terms sanctioned in Government Order No.G.4504-6/L.M.18-29-6 dated 31st October 1930.

In these circumstances, I request that Government may be pleased to sanction the proposals of the President of the Bank for the issue of a second series of Debentures for a sum of Rs.2½ lakhs carrying interest at 5 per cent free of income-tax and the investment by Government of another lakh of rupees in the Debentures of this series and the issue of a debenture loan prospectus as per copy submitted by him.

I have the honour to be,
Sir,
Your most obedient servant,

M. S. Mehta
Registrar. 23/8

23/8.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

(3

Letter No.S.I.17 dated 29th July 1933 from the President, The Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore, to the Registrar of Co-operative Societies in Mysore, Bangalore.

****

With reference to G.O.No.6511/L.M.30-31-5 dated 20th June 1933 passing orders in the matter of the subscriptions to the first series of debentures issued by this Bank, I have the honour to state that action will be taken on the lines indicated in the order for making up the full amount of Rs.3 lakhs for which these debentures were floated in 1930.

2. As against the above mentioned sum of Rs.3 lakhs, loans aggregating to Rs.2,03,525/- have already been disbursed by the Bank to its members. A further sum of Rs.97,945/- has been sanctioned by the Bank and will have to be disbursed in the course of the next month or two. The total sum of Rs.3 lakhs for which the first series of debentures were issued will thus have been fully utilised soon and it has therefore become necessary to raise fresh funds for meeting future applications.

3. The total amount of share capital and the reserve fund of the Bank at the end of June last amounted to Rs.48,371 and as the Bank has no liabilities by way of deposit or otherwise, it is permissible for it to raise total debentures upto 12 times the above amount (i.e., Rs.5,80,452). In the circumstances, I request that, as resolved by the Board of Directors, (vide copy of resolution No.9 dated 29th May 1932 herewith attached) you will be so good as to obtain sanction of Government for the floatation by the Bank of debentures for a further sum of Rs.2½ lakhs, making a total of Rs.5½ lakhs along with the Rs.3 lakhs already sanctioned by Government.

4. As regards the rate of interest, I am given to understand, by persons with banking experience whom I consulted, that it may not be possible to float the debentures at less than 5 per cent. I herewith enclose copy of a letter received from Mr.P.W.O'Brien, Manager of the Mysore Bank, containing his opinion in the matter. From a reference to the latest stock and share quotations published by the Chamber of Commerce, it is seen that the 5 per cent Shimoga and Chitaldrug Railway debentures, (which are free of income-tax as per Government Order No.Fl.7237/I.T.37-31-2 dated 19th/23rd March 1932) are selling at a slight discount or at par, and that the Tumkur 6 per cent water supply debentures (also free of

of income-tax) are quoted at 100 to 103. The Cochin Government have recently floated a debenture loan of Rs.50 lakhs free of income-tax at 5 per cent. In view of the fact that the market values of debentures of public and other bodies, even though guaranteed by Government, are generally less than those of Government bonds carrying the same rate of interest, I think that a rate of 5 per cent cannot be considered too high for the debentures now proposed to be floated and I therefore request that approval of Government may be obtained thereto.

5. It has been found by experience that it is very inconvenient to the Bank as well as to debenture holders to have all the debenture bonds issued for Rs.100/- each. It is therefore proposed to provide for the issue of consolidated bonds of Rs.500/-, Rs.1,000/- and Rs.5,000/- for 5, 10 and 50 debentures respectively, if so desired by the subscribers. In case any of the debentures comprised in the consolidated bonds are drawn for redemption under the Bank's byelaw No.29, fresh bonds for the balance will be issued by the Bank at its own cost.

6. On the last occasion, subscriptions to the debentures were all made payable before a certain date, and the amount received from the subscribers within the due date, aggregating to Rs.1,32,700/- was, as required by Government, placed in the hands of the Trustee who deposited it in the Savings Bank and allowed the Bank to draw it from time to time as it was required for the grant of loans to the members of the Bank. This arrangement resulted in appreciable loss to the Bank as, for the period that the amount remained unutilised in the hands of the Trustee, the Bank had to pay interest thereon to the debenture holders at 5 per cent while it was getting a much lower rate from the Government. In order to guard against such loss in respect of the debentures now to be issued, it is proposed to fix no time limit for applications to the debentures but to obtain subscriptions therefor from time to time only to the extent that money may be needed to meet the actual demand for payment of loans, till the whole amount of 2½ lakhs is made up.

7. It is hoped that the full amount of debentures would be taken up by the public by the time it can be absorbed by the Bank for loans to its members. To guard however, against the contingency of the public subscriptions falling short of the above amount, I request that sanction of Government may be obtained for their taking up debentures for one lakh

lakh out of the above, on the terms sanctioned in Government Order No. G.4504-6/L.M.18-29-6 dated 31st October 1930(i.e., that the amount will be allowed to be drawn by the Bank in instalments as and when required for payment of loans to its members). This, along with debentures for one lakh taken up by Government in the first series will make a total of two lakhs out of the five lakhs which the Government have kindly undertaken to invest in the Bank (vide para 5 of G.O.No.1143-44/Sany. 30-26-7 dated 10th April 1928)

8. The other conditions of the debentures will be the same as those which were applicable to the first series of debentures issued in 1930. Two copies of the prospectus issued in 1930 in which these conditions are set forth with the modifications now proposed to be made therein are herewith attached.

9. A separate communication will be addressed to you in the matter of the cash credit referred to in the annexed Bank's resolution.

****

" Copy "

23/8.

Registrar.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE. 6

Letter No.7896/C.S. dated 3rd May 1932 from the Registrar of Co-operative Societies in Mysore, Bangalore, to the Secretary to the Government of Mysore, Development Department, Bangalore.

****

With reference to your letter No.D.4439 dated 8th March 1932 re: the request of the Tumkur District Board for the issue of a single debenture bond or a fewer bonds of higher denominations -- instead of the 250 bonds of debentures of the denomination of Rs.100/ each issued to them by the Mysore Co-operative Land Mortgage Bank, I have the honour to enclose herewith copy of letter No.S.I.413 dated 21st April 1932 received from the President of the Land Mortgage Bank and to state that in the circumstances explained by the President it is not desirable to now authorise consolidation or sub-division of the bonds of this series. The question of giving necessary - facilities will be considered when future series are issued; in the present case, the procedure proposed by the President in para 3 of - his letter may very well be adopted by the Tumkur District Board.

****

" Copy "

Registrar.

Letter No: D.O. 773 dated 10th May 1933 from Mr. P. W. O'Brien, Manager, Bank of Mysore Ltd., Bangalore, to Rajasabhabhushana Mr. K. R. Srinivasiengar, M.A., President, Mysore Co-operative Land Mortgage Bank Ltd., Bangalore City.

---:ooo:---

I am in receipt of your letter of the 10th instant stating that it is proposed to issue Debentures for Rs. 3 lakhs by the Mysore Co-operative Land Mortgage Bank, Ltd., redeemable in 25 years.

As regards the rate of interest at which the Debentures may be issued, I am not in a position to give an authoritative opinion on this point, but I do not believe you xxxkx will be able to float the issue at less than 5%. The investing public is shy of this class of investment as there is not a free market for the Bonds. It is difficult to create a market outside Mysore State as, for one reason, interest is payable only within the State.

As regards your inquiry as to whether this Bank would underwrite the issue, this is a matter for consideration and I shall be glad to place it before the Board of Directors.

---:ooo:---

/ C o p y /

PRESIDENT,
Mysore Co-operative Land Mortgage Bank Ltd.

T.V.L.

Proceedings of the meeting of the Board of Directors held at the Bank's premises on Sunday the 29th May 1932.

----:ooo:----

xx xx xx

9. Subject: Floatation of the second series of debentures.

The President informed the members that out of the amount of Rs. 2,32,700 raised by the debentures till now, (of which Rs. 1,32,700 was subscribed by the public and Rs. 1,00,000 by Government), loans to the extent of Rs. 1,61,550/- have been already sanctioned, and that as the balance was likely to be used up within the next few months particularly in view of the recent extension of the Bank's operations to some additional areas, action had to be taken to float another series of debentures to meet the increasing demands for loans. He therefore suggested that sanction of Government be obtained for the floatation of another series of 2½ lakhs of debentures.

It was resolved accordingly that Government be requested to allow the Bank to float another series of debentures to the extent of 2½ lakhs of rupees at such rate of interest free of income-tax as may be approved by the Government and that with a view to avoid the loss that may be occasioned to the Bank by keeping the debenture amounts unused in the hands of the Trustee till required for payment of loans, the Government be also requested to sanction a cash credit loan of Rs. 2 lakhs to the Bank, which will be repaid to Government from out of the debenture amounts obtained by the Bank

xx xx xx

----:ooo:----

/ C o p y /

PRESIDENT,
Mysore Co-operative Land Mortgage Bank Ltd.

T.V.L.

~~THE SUBSCRIPTION LIST WILL BE CLOSED ON OR BEFORE 30th JUNE 1934~~

The Mysore Co-operative Land Mortgage Bank Ltd.,

Bangalore City

(Registered under the Mysore Co-operative Societies Regulation No. V of 1929.)

PROSPECTUS OF DEBENTURE LOAN

Second
(~~First~~ Series)

Issue **AT PAR** *of State-guaranteed Debentures to the extent of Rupees* ~~Three~~ Two and a half *Lakhs carrying interest at* 4½ *per cent per annum free of Mysore Income Tax.*

1. Under the authority vested by Section 56 of the Mysore Co-operative Societies Regulation No. V of 1929 and clauses 28 to 36 of the Bye-laws of the Bank regulating the raising of funds by means of issue of debentures, and with the previous approval of the Government of Mysore conveyed in their Order No. ~~[illegible]~~ dated ~~the 10th April 1930~~, the Mysore Co-operative Land Mortgage Bank, Ltd., have resolved to issue the second series of debentures to the extent of Rupees ~~Three~~ Two and a half (2½) lakhs.

2. The Government of Mysore have agreed to take up these debentures to the extent of Rupess One (1) lakh ~~The balance of Rupees Two (2) lakhs is available for public subscription, if necessary.~~

3. The debentures are subject to the following conditions :—

(1) The debentures will be of ~~only~~ one denomination, *viz.*, Rs. 100/- and will be issued at par; when a subscriber desires it Consolidated bonds will be issued for five, ten or fifty debentures of the value of Rs. 500/-, Rs. 1,000/- and Rs 5000/- respectively

(2) The repayment of the principle amounts of the debentures at maturity as well as the payment of interest as it falls due, is guaranteed by the Government of Mysore.

(3) The debentures are exempt from Mysore Income-tax.

(4) The debentures will be secured by first mortgages on real property obtained by the Bank, the estimated value of the property charged being at least double the amount of the mortgages.

(5) The debentures carry interest at four and a half per cent per annum ; provided however that with the previous sanction of Government the Bank shall be at liberty to effect a reduction in the rate of interest at any time after the expiry of ten years from the date of their issue and after giving the holders of the bonds the option to accept payment therefor in cash at par.

(6)(a) The debentures shall be redeemable at par on 1st July 1960, but the Bank reserves to itself the right to redeem at par as many bonds as it may deem necessary, at any time after the expiry of ten years from the date of their issue, the bonds to be thus redeemed being selected by lot once every year.

Debentures in respect of which notice of redemption has been given to the holders by the Board of Directors must be given up on the expiry of the term mentioned in the notice and if the debentures are not so given up, the holder shall have no claim upon the Bank for interest accruing after the expiry of the term.

(b) In the event of any debenture comprised in a Consolidated bond being drawn for redemption under clause (a) above, the Bank will issue at its own cost, a sufficient number of bonds for the debentures remaining unredeemed.

10

(7) The interest on the debentures will be paid half-yearly on 30th June and 31st December at the Bank's Office in Bangalore City. Arrangement will however be made, *on application*, for payment of interest at any Treasury in the Mysore State.

(8) The debentures are exempt from stamp duty.

(9) As per Section 57 of the Mysore Co-operative Societies Regulation No. V of 1929, these bonds

(a) shall be deemed to be negotiable instruments to which the provisions of the Mysore Negotiable Instruments Regulation, 1917, apply; and

(b) shall be included amongst securities in which a trustee may invest trust funds under any law for the time being in force in Mysore.

(10) (i) Debentures which, by reason of damage sustained, have become unfit for circulation, will be replaced at the request of the holder on giving up the damaged or defaced debentures provided that the essential marks for genuineness and identity, especially the number, the amount, the rate of interest, the date and signatures of the authorised executing officers of the Board of Directors are still recognizable. Fresh debentures shall also be issued to replace completely destroyed debentures when, in the opinion of the Board of Directors, the fact of destruction is proved without any doubt or uncertainty.

(ii) When such proof is not produced or when in case of damage the essential marks on the debenture are lost and no longer recognizable, as well as in all cases in which the debenture has been stolen from the owner or has been in other ways mislaid, a new debenture will only be issued when the debenture which is alleged to be missing or unrecognisable has been previously advertised for by the claimant in the manner prescribed by the Board of Directors and its nullity legally declared.

(iii) The re-issue shall be made for the same amount under the same number with the additon of the word "renewed". A fee of eight annas will be charged for every renewed debenture thus issued.

(12) Under No. (2) of the Rules relating to Mysore Co-operative Land Mortgage Bank issued with G. O. No. G. 5929/L. M. 4-29-4 dated the 11th November 1929, a trustee will be appointed by Government to secure the fulfilment of the obligations of the Bank to the holders of these debentures.

(11) Separate debenture bonds of Rs: 100/- each, or Consolidated bonds of Rs: 500/-, Rs: 1,000/- or Rs: 5,000/-, will be issued in lieu of bonds of equal value on payment of a fee of eight annas for each bond so issued.

President,
MYSORE CO-OPERATIVE LAND MORTGAGE BANK, LTD.

THE INDIAN PRESS, BANGALORE CITY

28.7.33.

GOVERNMENT OF MYSORE.

No. 2821 S

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE.

C.M. 2-33-2.

Dated, Bangalore, 4th November 1933.

From

GULAM MOHADIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

1637

GEN. & REV. SECRETA

6 NOV. 193

DEVELOPMENT BRAN

To

S.Abdul Wajid, Esq., B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

Sir,

In continuation of this office letter No.1364 dated 25th August 1933 recommending sanction of Government for the floatation of a second series of debentures by the Mysore Co-operative Land Mortgage Bank, Ltd., Bangalore City, for a sum of Rs.2½ lakhs at 5% interest, I have the honour to forward, herewith, copies of letters Nos.S.I.113 dated 23rd October 1933 and S.I.125 from the President the Mysore Corporative Land Mortgage Bank dated 27th October 1933 on the subject and to recommend, in the circumstance mentioned by the President, that the Bank may be authorised to issue debentures to the extent of 2½ lakhs of rupees at 4½ per cent interest instead of 5% as previously recommended.

I have the honour to be,
Sir,
Your most obedient servant,

M. G. M.

Registrar. 4/11

3/11.

The file on this subject has been separately submitted with a draft sanctioning the floatation of the loan at 4½% interest. This will therefore be placed in the file on its return.

KB 8/11

Dev. Sec 4)

8/11

Gen C

Gen. & Rev. Secretary

9.11.33

9/11

DEVELOPMENT BRAN

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

12

Letter No.S.I.113 dated 23rd October 1933 from the President, The Mysore Co-operative Land Mortgage Bank,Ltd.,Bangalore,to the Registrar of Co-operative Societies in Mysore,Bangalore.

******

In continuation of my letter No.S.I.17 dated 29th July last requesting sanction of Government for floatation of debentures for a sum of Rs.2½ lakhs at 5%, I have the honour to state that since the above communication was sent up I have been able to sell to the public the Bank's debenture bonds of the first series for Rs.10,000/- at a premium of Rs.2/- per bond in accordance with the directions of the Government Order No. D.6529-34/L.M.6-32-11 dated 20th June contained in para 1 of 1933. I am informed by bankers and share-brokers whom I consulted that, under the present conditions of the money market and in view of the fact that the Government have recently reduced the interest on five years Savings Bank deposits to 3¾%, the Bank's debentures which are free of income-tax and guaranteed by Government, may prove attractive even at 4½%-. In the circumstances, I request, in modification of my previous proposal, that the Bank may be given the option to issue the debentures either at 4½% or 5% according to the demand therefor and the prevailing market conditions. The 5% bonds will be issued at as high a premium as can be obtained and the 4½% bonds will be issued at par or at such premium if any, as can be secured therefor. The other conditions in respect of the debentures will remain unaltered.

****

" Copy "

Registrar.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES
IN MYSORE.

13

Letter No.S.I.125 dated 27th October 1933 from the President, The Mysore Co-operative Land Mortgage Bank,Ltd.,Bangalore City,to the Registrar of Co-operative Societies in Mysore, Bangalore.

In continuation of my letter No.S.I.113 dated 23rd October 1933 to you, I have the honour to state that since the above - communication was sent to you, I understand that the Government have floated a conversion loan at 4%. In the circumstances, I am advised that it will be sufficient to offer only 4½% interest for the new series of debentures for 2½ lakhs proposed to be issued by the Bank. I request therefore that sanction of Government may be obtained to issue the new (second) series at 4½% only.

****
" Copy "

Registrar.

No. 2822 S

GOVERNMENT OF MYSORE. 14

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE.

Dated, Bangalore, 14 November 1933

L.M. 2-33-3

GEN. & REV. SECRETA... 1633 DEVELO...

From

GULAM MOHADIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

S.Abdul Wajid,Esq.,B.A.,
Secretary to the Government of Mysore,
Development Department, Bangalore.

Sir,

With reference to your letter No.D.1001-3/L.M.30-31-7 dated 31st August 1933 and in continuation of my letter No.2382/C.S.dated 17th October 1933 on the subject of the formation of a Sinking Fund for the redemption of the debentures issued by the Mysore Co-operative Land Mortgage Bank,Ltd., I have the honour to state that, for the reasons mentioned by the President of the Bank in his letter No.S.I.272 dated 2nd March 1933 (copy of which has been forwarded to Government with my letter No.5697/C.S.dated 15th March 1933) and in view of the fact that the rate of interest allowed or -- realised on the amount kept with the Trustee towards the Sinking Fund will be less than the rate of interest paid by the Bank on the debentures issued by it, Government may be pleased to direct that the formation of the - debenture redemption fund in respect of each series of debentures, may be ordered after the expiry of five years from the date of issue of such - debentures.

I have the honour to be,
Sir,
Your most obedient servant,

W. G. [illegible]
Registrar. 4/11

3/11.

This question has been dealt with in the file re the floatation of the 2nd series of debentures, and the draft order, has in it incorporated, a sentence to say that the sinking fund contributions will commence from the 6th year of the issue of the first and second series. In the circumstances this will be placed in the file, and its return is no separate action is necessary

by KB 8/11 Sec'y)

Sgd 8/11

Secy C... 9/11 ...ENT BRI... L...

CAW. 9.11.33 GHC 9/11

G. R. S. App. F VI—G 2]

SUBJECT..... 16 Chs 15'

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Diary No. of letter replied to.....

Section L.M

File No. 2-33

Serial No. 7

General and Revenue Secretariat

( )

the *193*

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue..... 20/11/ 1933. (X)

Signed by.....

Read—

G.O. no. G. 12215-8/L.M 21-29-2-7 11:4:1930,- authorizing the Mysore Coop. Land Mortgage Bank to issue debentures to the extent of Rupees three lakhs subject to certain conditions

~~Order thereon. No~~

2. Letter no. 1364 C.S. dy 25/8/33 from the Regr. of Cs. requesting sanction for the proposals of the President of the L.M. Bank for the issue of the Secnd Series of debentures for a sum of Rs 2½ lakhs, carrying interest at 5% p.a.

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, kannada part ?

of income tax and the investment by Govt., of another lakh of rupees in the debentures of this series, and the issue of a debenture loan prospectus as per copy submitted.

3. U.O. note no 962/S.L dy 24.10.33 from the Comptroller to Govt. on the subject.

Orders no: A.2624-27 30/11/33

In the G.O. read above Govt. were pleased to sanction the floatation of a loan of Rs 3 lakhs by the L.M. Bank, A under Byelaw 17(6) of its bye laws the Bank can raise loans to the extent of twelve times the amount of share capital and the reserve fund which is stated to amount to the sum of Rs 48,371 on the 30th June 1933, Govt are pleased to grant permission to the Bank to ra the in further loan of Rs 2½ lakhs under Sec. 56 of the Nagore Cooperative Regulation as

List of Enclosure

Copied by

Examined by

after the 18th Dec. 1933

G. R. S. App F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

amended by Reg V of 1929.

2. The Bank proposes to issue consolidated bonds in lieu of debentures where necessary in respect of large subscriptions with a view to overcome certain inconveniences which were experienced by the issue of bonds of Rs 100 each Govt. are therefore pleased to permit the issue of bonds of the value of Rs 500, Rs 1000, and Rs 5000, instead of debentures of the value of Rs 100 each in such cases.

3. The rate of interest on the new debentures will be 4½ % per annum (free of income tax). Subject to this correction the draft prospectus sent by the President of the L.M. Bank is approved

* Govt. agree to invest

one lakh of rupees, (or any
less amount, if the subscriptions
from the public should
exceed Rs 1½ lakhs) in the
new debentures, only when
the required amount cannot
be realized from the public.

5. The Bank has suggested
that no time-limit for
receipt of applications to the
debentures be fixed in order
to guard ~~the Bank~~ itself against
loss of interest on sums received
but not utilized. It therefore
proposes to obtain subscriptions
to the new debentures from
time to time, only to the extent
that money is needed to meet
the actual demand for
payment of loans, till the
whole amount of Rs 2½ lakhs
is made up. The procedure
suggested by the Bank is
approved.

G. R. S. App F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

As regards the formation of a sinking fund for the redemption of the debentures, the President of the I. B. Bank has agreed to pay annually to the Trustee of the Bank a certain equated amount towards the redemption of the loan. It has also been agreed that both for the first and the second series of debentures, ~~the~~ Contributions to the ~~President of the I. B. Bank has agreed~~ sinking fund may commence from the sixth year of issue of the debentures in each case. These proposals are approved.

7. The Comptr. in his unofficial note read above, has raised the question of the adjustment of 5% interest on amounts in his books

0327—GPB—10,000—16-5-27

advances by Govt, and has suggested, with a view to minimising the work of his office, the half yearly adjustment of interest on the 1st of January and 1st of July of each year instead of the present practice of adjusting the interest annually on different dates. Govt. are pleased to sanction this proposal also.

Asst.
Secy.
Rev.
2/11/33.

To the Registrar of Cos.

Reserve Bank
Comptr & Govt Trans
Press Table

with a copy of the draft prospectus

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read:—

Government Order No.G.12215-28/L.M.21-29-2 dated 11th April 1930, authorising the Mysore Co-Operative Land Mortgage Bank to issue debentures to the extent of Rupees three lakhs subject to certain conditions.

2. Letter No.1364/C.S. dated 25th August/1933 from the Registrar of Co-operative Societies, requesting sanction for the proposals of the President of the Land Mortgage Bank for the issue of the Second Series of Debentures for a sum of Rs 2½ lakhs carrying interest at 5 per cent free of income-tax and the investment, by Government, of another lakh of rupees in the debentures of this series. and the issue of a debenture loan prospectus as per copy submitted.

3. Unofficial Note No.962/S.L. dated 24th October 1933 from the Comptroller to Government on the subject.

ORDER NO: D 2624-27/F.No.2-33-3

Dated, Bangalore, the 2nd November 1933.

In the Government Order read above Government were pleased to sanction the floatation of a loan of Rs 3 lakhs by the Land Mortgage Bank. As under Byelaw 17(b) of its byelaws the Bank can raise loans to the extent of twelve times the amount of share capital and the reserve fund which is stated to amount to the sum of Rs.48,371/- on the 30th June 1933, Government are pleased to grant permission to the Bank to raise after the 1st December 1933 the further loan of Rs.2½ lakhs under Section 56 of the Mysore Co-operative Regulation as amended by Regulation V of 1929.

2. The Bank proposes to issue consolidated bonds in lieu

of debentures where necessary in respect of large subscriptions with a view to overcome certain inconveniences which were experienced by the issue of bonds of Rs 100 each. Government are therefore pleased to permit the issue of bonds of the value of Rs 500, Rs 1000, and Rs.5000/-, instead of debenture of the value of Rs 100 each in such cases.

3. The rate of interest on the new debentures will be 4½% per annum (free of income-tax). Subject to this correction the draft prospectus sent by the President of the Land Mortgage Bank is approved.

4. Government agree to invest one lakh of rupees (or any less amount, if the subscriptions from the public should exceed Rs.1½ lakhs) in the new debentures, only the required amount cannot be realised from the public.

5. The Bank has suggested that no time limit for receipt of applications/be fixed to the debentures in order to guard itself against loss of interest on sums received but not utilised. It therefore proposes to obtain subscriptions to the new debentures from time to time, only to the extent that money is needed to meet the actual demand for payment of loans, till the whole amount of Rs.2½ lakhs is made up. The procedure suggested by the Bank is approved.

6. In regard to the formation of sinking fund for the redemption of the debentures, the President of the Land Mortgage Bank has agreed to pay annually to the Trustee of the Bank a certain equated amount towards the redemption of the loan. It has also been agreed that both for the first and the second series of debentures, contributions to the sinking fund may commence from the sixth year of issue of the debentures in each case. These proposals are approved.

7. The Comptroller in his unofficial note read above, has raised the question of the adjustment of 5% interest in his books on amounts advanced by Government, and has suggested, with

a view to minimising the work of his office, the half yearly adjustment of interest on the 1st of January and 1st of July of each year instead of the present practice of adjusting the interest annually on different dates. Government are pleased to sanction this proposal also.

Yours faithfully,

For Secretary to Government,
Development Department.

To

The Registrar of Co-operative Societies in Mysore,
Revenue Commissioner in Mysore.
President, Land Mortgage Bank.
Comptroller to Government through Financial Department.

} with a copy of the draft prospectus

PRESS TABLE.

S.R.16/Enc.16

THE MYSORE CO-OPERATIVE LAND MORTGAGE BANK LTD.

Bangalore City.

(Registered under the Mysore Co-operative Societies Regulation No.V of 1929).

PROSPECTUS OF DEBENTURE LOAN

(Second Series)

Issue AT PAR of State-guaranteed Debentures to the extent of Rupees Two and a half lakhs carrying interest at 4½ per cent per annum free of Mysore Income Tax.

1. Under the authority vested by Section 56 of the Mysore Co-operative Societies Regulation No.V of 1929 and clauses 28 to 30 of the bye-laws of the Bank regulating the raising of funds by means of issue of debentures, and with the previous approval of the Government of Mysore conveyed in their Order No. D-2624-27/C.M.2-33-7 dated 30th November 33, the Mysore Co-operative Land Mortgage Bank, Ltd., have resolved to issue the second series of debentures to the extent of Rupees two and a half (2½) lakhs.

2. The Government of Mysore have agreed to take up these debentures to the extent of Rupees one (1) lakh, if necessary.

3. The debentures are subject to the following conditions:-

(1) The debentures will be of one denomination, viz., Rs.100/- and will be issued at par; when a subscriber desires it, consolidated bonds ~~of~~ will be issued for five, ten or fifty debentures of the value of Rs.500/- Rs.1000/- and Rs.5000/- respectively.

(2) The repayment of the principal amounts of the debentures at maturity as well as the payment of interest as it falls due, is guaranteed by the Government of Mysore.

(3) The debentures are exempt from Mysore Income-tax.

(4) The debentures will be secured by first mortgages on real property obtained by the Bank, the estimated value of the property charged being at least double the amount of the mortgages.

(5) The debentures carry interest at ~~five~~ four and a half per cent per annum; provided however that with the previous sanction of Government the Bank shall be at liberty to effect a reduction in the rate of interest at any time after the expiry of ten years from the date of their issue and after giving the holders of the bonds the option to accept payment therefor in cash at par.

(6)(a) The debentures shall be redeemable at par on 1st July 1960, but the Bank reserves to itself the right to redeem at par as many bonds as it may deem necessary, at any time after the expiry of ten years from the date of their issue, the bonds to be thus redeemed being selected by lot once every year. Debentures in respect of which notice of redemption has been given to the holders by the Board of Directors must be given up on the expiry of the term mentioned in the notice and if the debentures are not given up, the Holder shall have no claim upon the Bank for interest accruing after the expiry of the term.

(b) In the event of any debenture comprised in a consolidated bond being drawn for redemption under clause (a) above, the Bank will issue at its own cost a sufficient number of bonds for the debentures remaining unredeemed.

(7) The interest on the debentures will be paid half yearly on 30th June and 31st December at the Ba Office in Bangalore City. Arrangement will however

be made, on application, for payment of interest at any Treasury in the Mysore State.

(8) The debentures are exempt from stamp duty.

(9) As per Section 57 of the Mysore Co-operative Societies Regulation No.V of 1929, these bonds -

(a) shall be deemed to be negotiable instruments to which the provisions of the Mysore Negotiable Instruments Regulation, 1917, apply; and

(b) shall be included amongst securities in which a trustee may invest trust funds under any law for the time being in force in Mysore.

(10) (i) Debentures which, by reason of damage sustained, have become unfit for circulation, will be replaced at the request of the holder on giving up the damaged or defaced debentures provided that the essential marks for genuineness and identity especially the number, the amount, the rate of interest, the date and signatures of the authorised executing officers of the Board of Directors are still recognizable. Fresh debenture shall also be issued to replace completely destroyed debentures when, in the opinion of the Board of Directors, the fact of destruction is proved without any doubt or uncertainty.

(ii) When such proof is not produced or when in case of damage the essential marks on the debentures are lost and no longer recognizable, as well as in all cases in which the debentures has been stolen from the owner of has been in other ways mislaid, a new debenture will only be issued when the debenture which is allged to be missing or unrecognizable has been previously advertised for by the claimant in the manner prescribed by

27

by the Board of Directors and its nullity legally declared.

(iii) The re-issue shall be made for the same amount under the same number with the addition of the word "renewed". A fee of eight annas will be charged for every renewed debenture thus issued.

(11). Separate debenture bonds of Rs.100/- each, or consolidated bonds of Rs 500/-, Rs.1000/- or Rs 5000/- will be issued in lieu of the bonds of equal value on payment of a fee of eight annas for each bond so issued.

(12) Under No.(2) of the [illegible] Co-operative Land Mortgage Bank issued with Government Order No.G.5929/L.M.4-29-4 dated the 11th November 1929, a trustee will be appointed by Government to secure the fulfilment of the obligations of the Bank to the holders of these debentures.

* * * * * * *

Gmallikarjuniah
for Secretary to Government
Development Dept
12

P. B 46
2/12/33

App. F VI G 10.

29

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

Debentures of the Land Mortgage Bank.
to the floatation of the Second Series of —
to certain conditions.

G. O. No. D 2624-27/L.M 2-33-7 DATED 30th November 1933

May this be

i. printed ? Yes

ii. treated as a standing order ? No

iii. published in the Gazette English Part ? Yes

iv. translated ? -

v. placed at the disposal of the press ? Yes.

iv. published in the Gazette Kannada Part ? -

Subs for orders
M2
1/12 KS

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 2624-27—L. M. 2-33-7, dated 30th November 1933.

Debentures of the Land Mortgage Bank.

Permit the floatation of the second series of —— subject to certain conditions.

EAD—

Government Order No. G. 12215-8—L. M. 21-29-2, dated 11th April 1930, authorising the Iysore Co-operative Land Mortgage Bank to issue debentures to the extent of rupees three lakhs subject o certain conditions.

2. Letter No. 1364 —C. S., dated 25th August 1933, from the Registrar of Co-operative Societies, equesting sanction for the proposals of the President of the Land Mortgage Bank for the issue of the econd series of debentures for a sum of Rs. 2½ lakhs carrying interest at 5 per cent free of income-tax nd the investment, by Government, of another lakh of rupees in the debentures of this series, and the sue of a debenture loan prospectus as per copy submitted.

3. Un-official Note No. 962—S. L., dated 24th October 1933, from the Comptroller to Governent on the subject.

ORDER NO. D. 2624-27—L. M. 2-33-7, DATED BANGALORE, THE 30TH NOVEMBER 1933.

In the Government order read above, Government were pleased to sanction the oatation of a loan of Rs. 3 lakhs by the Land Mortgage Bank. As under Bye-law 17(*b*) of its bye-laws, the Bank can raise loans to the extent of twelve times the amount of share capital and the reserve fund which is stated to amount to the sum of Rs. 48,371 on the 30th June 1933, Government are pleased to grant permission to the Bank to raise after the 1st December 1933 the further loan of Rs. 2½ lakhs under Section 56 of the Mysore Co-operative Regulation as amended by Regulation V of 1929.

2. The Bank proposes to issue consolidated bonds in lieu of debentures where necessary in respect of large subscriptions with a view to overcome certain inconveniences which were experienced by the issue of bonds of Rs. 100 each. Government are therefore pleased to permit the issue of bonds of the value of Rs. 500, 1,000 and Rs. 5,000, instead of debentures of the value of Rs. 100 each in such cases.

3. The rate of interest on the new debentures will be 4½ per cent per annum (free of income-tax). Subject to this correction the draft prospectus sent by the President of the Land Mortgage Bank is approved.

4. Government agree to invest one lakh of rupees (or any less amount, if the subscriptions from the public should exceed Rs. 1½ lakhs), in the new debentures, only when the required amount cannot be realised from the public.

5. The Bank has suggested that no time limit for receipt of applications to the debentures be fixed in order to guard itself against loss of interest on sums received but not utilised. It therefore proposes to obtain subscriptions to the new debentures from time to time, only to the extent that money is needed to meet the actual demand for payment of loans, till the whole amount of Rs. 2½ lakhs is made up. The procedure suggested by the Bank is approved.

6. In regard to the formation of a sinking fund for the redemption of the debentures, the President of the Land Mortgage Bank has agreed to pay annually to the Trustee of the Bank a certain equated amount towards the redemption of the loan. It has also been agreed that both for the first and second series of debentures, contributions to the sinking fund may commence from the sixth year of issue of the debentures in each case. These proposals are approved.

NO. D. 2624-27—L. M. 2-33-7, DATED 30TH NOVEMBER 1933.

7. The Comptroller in his un-official note read above, has raised the question of the adjustment of 5 per cent interest in his books on amounts advanced by Government, and has suggested, with a view to minimising the work of his office, the half-yearly adjustment of interest on the 1st of January and 1st of July of each year instead of the present practice of adjusting the interest annually on different dates. Government are pleased to sanction this proposal also.

S. ABDUL WAJID,
Secretary to Government,
Development Department.

To—The Registrar of Co-operative Societies in Mysore.
The Revenue Commissioner in Mysore.,
The President, Land Mortgage Bank.
The Comptroller to Government, through Financial Department
PRESS TABLE.

With a copy of the draft prospectus.

Exd.—C. K.

30

No. D. 2624-27—L. M. 2-33-7, dated 30th November 1933.

THE MYSORE CO-OPERATIVE LAND MORTGAGE BANK, LTD.

Bangalore City.

(Registered under the Mysore Co-operative Societies Regulation No. V of 1929.)

Prospectus of Debenture Loan.

(Second Series).

Issue AT PAR of State-guaranteed Debentures to the extent of Rupees two and a half lakhs carrying interest at 4½ per cent per annum free of Mysore Income-tax.

Under the authority vested by Section 56 of the Mysore Co-operative Societies Regulation, No. V of 1929, and Clauses 28 to 36 of the Bye-laws of the Bank regulating the raising of funds by means of issue of debentures, and with the previous approval of the Government of Mysore conveyed in their Order No. D. 2624-27—L. M. 2-33-7, dated 30th November 1933, the Mysore Co-operative Land Mortgage Bank, Ltd., have resolved to issue the second series of debentures to the extent of rupees two and a half (2½) lakhs.

2. The Government of Mysore have agreed to take up these debentures to the extent of rupee one (1) lakh, if necessary.

3. The debentures are subject to the following conditions:—

(1) The debentures will be of one denomination, *viz.*, Rs. 100 and will be issued at par; when a subscriber desires it, consolidated bonds will be issued for five, ten or fifty debentures of the value of Rs. 500, Rs. 1,000 and Rs. 5,000, respectively.

(2) The repayment of the principal amounts of the debentures at maturity as well as the payment of interest as it falls due, is guaranteed by the Government of Mysore.

(3) The debentures are exempt from Mysore Income-tax.

(4) The debentures will be secured by first mortgages on real property obtained by the Bank, the estimated value of the property charged being at least double the amount of the mortgages.

(5) The debentures carry interest at four and a half per cent per annum; provided however, that with the previous sanction of Government, the Bank shall be at liberty to effect a reduction in the rate of interest at any time after the expiry of ten years from the date of their issue and after giving the holders of the bonds the option to accept payment therefor in cash at par.

(6) (*a*) The debentures shall be redeemable at par on 1st July 1960, but the Bank reserves to itself the right to redeem at par as many bonds as it may deem necessary, at any time after the expiry of ten years from the date of their issue, the bonds to be thus redeemed being selected by lot once every year. Debentures in respect of which notice of redemption has been given to the holders by the Board of Directors must be given up on the expiry of the term mentioned in the notice and if the debentures are not given up, the holder shall have no claim upon the Bank for interest accruing after the expiry of the term.

(*b*) In the event of any debenture comprised in a consolidated bond being drawn for redemption under clause (*a*) above, the Bank will issue at its own cost a sufficient number of bonds for the debentures remaining unredeemed.

(7) The interest on the debentures will be paid half-yearly on 30th June and 31st December at the Bank's Office in Bangalore City. Arrangement will however be made, *on application*, for payment of interest at any Treasury in the Mysore State.

(8) The debentures are exempt from Stamp Duty.

(9) As per Section 57 of the Mysore Co-operative Societies Regulation No. V of 1929, these bonds—

(*a*) shall be deemed to be negotiable instruments to which the provisions of the Mysore Negotiable Instruments Regulation, 1917, apply; and

(*b*) shall be included amongst securities in which a trustee may invest trust funds under any law for the time being in force in Mysore.

(10) (*i*) Debentures which, by reason of damage sustained, have become unfit for circulation, will be replaced at the request of the holder on giving up the damaged or defaced debentures provided that the essential marks for genuineness and identity especially the number, the amount, the rate of interest, the date and signatures of the authorised executing officers of the Board of Directors are still recognizable. Fresh debentures shall also be issued to replace completely destroyed debentures when, in the opinion of the Board of Directors, the fact of destruction is proved without any doubt or uncertainty.

(*ii*) When such proof is not produced or when in case of damage the essential marks on the debentures are lost and no longer recognizable, as well as in all cases in which the debentures have been stolen from the owner or have been in other ways mislaid, a new debenture will only be issued when the debenture which is alleged to be missing or unrecognizable has been previously advertised for by the claimant in the manner prescribed by the Board of Directors and its nullity legally declared.

(*iii*) The re-issue shall be made for the same amount under the same number with the addition of the word "renewed." A fee of eight annas will be charged for every renewed debenture thus issued.

(11) Separate debenture bonds of Rs. 100 each, or consolidated bonds of Rs. 500, Rs. 1,000 or Rs. 5,000 will be issued in lieu of the bonds of equal value on payment of a fee of eight annas for each bond so issued.

(12) Under No. (2) of the Rules relating to Mysore Co-operative Land Mortgage Bank issued with Government Order No. G. 5929—L. M. 4-29-4, dated the 11th November 1929, a trustee will be appointed by Government to secure the fulfilment of the obligations of the Bank to the holders of these debentures.

W D 1006 GPB—310—16-12-33